



Republican Policy Committee

Larry E. Craig, Chairman Jade West, Staff Director 347 Russell Senate Office Building (202)224-2946 <http://www.senate.gov/~rpc/>

July 24, 1996

Senator Kennedy & Co. Continue to Stall Health Care

Health Care Held Hostage: Three Months and Counting...

Yesterday marked the three-month anniversary of the Senate's passage of health care reform legislation. Since then, the President's party has prevented all progress toward reaching a final bill. In fact, they have jammed even the routine mechanism of appointing Senate-House conferees to hammer out a final agreement between the differing House and Senate versions of the legislation. To this day, the President's surrogates are busy tying the Senate in knots, insisting on negotiating over whether or when to even negotiate!

With this record of recidivism it should not be surprising that they have made no serious attempt to reach a resolution to the crisis they created over medical savings accounts. MSAs would simply give Americans the right to save tax-free their own money for medical expenses — just as they do now for future retirement with IRAs. As the points below make clear, in contrast to the Minority, the Majority party has gone well over half way to reach a fair compromise. The only conclusion possible is that the Minority once again does not want legislation, but an issue to distract attention from their failed attempt to nationalize America's health care two years ago.

- Under the original House-passed MSA proposal, 127 million workers were eligible. Under the latest compromise, less than a third of these, 41.8 million, who are self-employed or work in businesses employing 50 or fewer workers would be eligible.
- Of that one-third of the workforce, just 800,000 — or sixth-tenths of one percent of the total 127 million workforce — are expected to participate.
- Of the insured workforce of 79.6 million, just 6.1 million (or 7.66 percent) would be eligible under the compromise.
- However, of the uninsured workforce of 47.4 million, 35.7 million (or 75.3 percent) would have the chance to obtain health care coverage they now lack.
- In comparison to the Minority MSA (S. 2873) bill's \$20.5-billion 5-year price tag, the Majority's MSA compromise proposal costs just \$1.67 billion over six years — just 6.8 percent of the one Minority Leader Daschle and members of his party supported four years ago.

The Majority's latest proposal meets the test of a true compromise; it also satisfies the requirements of the demonstration program that the White House requested. But for all its merits, the bill apparently does not meet the demagoguery test that Senator Kennedy and his colleagues are using to block its path — that's the reason they continue to reject it.